

average annual rate of growth of bank credit to agriculture during 1980-81 to 1994-95 stood at 14.7 per cent whereas the annual rate of growth for industry (small, medium and large scale) stood at 15.9 per cent during the same period.

(c) RBI has further reported that the rate of growth of bank credit to a sector may vary depending on both the level of production of that particular sector as well as on its capacity to absorb additional credit. Since credit intensity of agriculture is different from industry, utility of comparative statistics of this kind is at best limited.

However, a number of steps have been taken to increase the flow of credit to agricultural sector which, inter alia, include :-

- (i) Within the overall target of 40 per cent to priority sector, 18 per cent of net bank credit is earmarked for agriculture. Public Sector Banks which have not achieved the agricultural lending sub-target of 18 per cent of net bank credit as on the last Friday of December, 1994, are required to make contributions to the Rural Infrastructural Development Fund equivalent to the short fall in achieving the sub-target subject to a maximum of 1.5 per cent of their net bank credit;
- (ii) Prescription of scales of finance for crop loans worked out for each district and their uniform adoption by banks;
- (iii) Disposal of loan applications upto Rs.25,000/- within a fortnight and those over Rs. 25,000/- within 8 to 9 weeks;
- (iv) Commercial banks to set up at least one specialised Agricultural Finance Branch in each State to deal with high tech agricultural loans;
- (v) Introduction of the Agricultural Credit Card for farmers with good track record to enable them to secure production credit from banks without procedural formalities each season; and
- (v) Delegation of appropriate sanctioning powers to the rural branch managers so that majority of loan applications from weaker sections are sanctioned at branch level itself.

Value of Imported Items

1167. SHRI NITISH KUMAR : Will the Minister of COMMERCE be pleased to state :

(a) whether the import value of major items such as petroleum, steel and capital goods has increased during 1995-96;

(b) if so, the details thereof and its impact on foreign trade; and

(c) the percentage of import of the above items/goods out of the total import in the country during 1995-96?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). As per available data from DGCI&S the import values in dollar terms in respect of petroleum, steel and capital goods during 1995-96 are given below together with the percentage change over the previous year;

Import Value of Items	(US \$ Million)	
Commodities	1995-96	Percentage change over previous year
Petroleum	7537.43	27.15%
Steel	1478.83	27.10%
Capital Goods	5794.07	34.54%

(c) The value of imports in dollar terms of the above three items constituted around 40.7% of the total imports during 1995-96.

[English]

ADB Loan

1168. SHRI PANKAJ CHOWDHARY :
SHRI AMAR PAL SINGH :
SHRI PRABHU DAYAL KATHERIA :

Will the Minister of FINANCE be pleased to state :

(a) whether United States of America has put a ban on loan to be released to India from Asia Development Fund of Asian Development Bank;

(b) if so, the reasons therefor;

(c) whether any action has been taken by the Government in this regard; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). As India did not have access to the Asia Development Fund since its inception in 1974, the question of ban does not arise.

Drugs And Antiques Smuggling

1169. SHRI RAM KRIPAL YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the smuggling of drugs and antiques through Foreign Post Offices has come to the light;

(b) if so, the details thereof;

(c) the number of drugs and antique smuggling cases registered during 1995 and 1996; and

(c) the action taken by the Government to identify the racket involved?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). The information is being collected and will be laid on the Table of House.

Loans to Cooperative Spinning Mills

1170. SHRI BANWARI LAL PUROHIT : Will the Minister of FINANCE be pleased to state :

(a) whether the Government of Maharashtra has urged the Union Government to sanction long term loan to cooperative spinning mills of the State.

(b) if so, the details of the spinning mills for which long term loan has been sought by the State Government, and

(c) the reaction of the Union Government thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Government of Maharashtra has written to Government of India for processing of applications by the financial institutions (FIs) received by them from co-operative spinning mills for setting up new grass root spinning mills in the State of Maharashtra

(b) The Industrial Development Bank of India (IDBI) has received 14 applications and Industrial Finance Corporation of India Limited (IFCI) has received 20 applications from the co-operative spinning mills in Maharashtra for setting up of grass root spinning mills. Information with regard to Industrial Credit and Investment Corporation of India Ltd. (ICICI) is not readily available.

(c) IDBI has reported that these applications have been kept in abeyance due to a joint institutional decision that the matter of financing grass root spinning mills could be considered after the institutional overdues in respect of existing assisted co-cooperative spinning mills in Maharashtra are cleared

[Translation]

Demand of Employees of Rural Banks

1171. DR. SATYANARAYAN JATIA :
PROF. RASA SINGH RAWAT :

Will the Minister of FINANCE be pleased to state :

(a) the objective setting up of the Regional Rural Banks and the extent to which the objectives are being fulfilled in the present context.

(b) the comparative status of these banks in terms of similarities and dissimilarities with other nationalised banks, and

(c) the major demands put forth by the employees of these banks and the steps taken so far to meet their demands?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Regional Rural Banks (RRBs) were set up with the following objectives :

- (i) To take banking services to the door steps of rural masses particularly in hitherto embanked far flung rural areas;
- (ii) To make available institutional credit to the weaker sections of the society;
- (iii) To mobilise rural savings and channelise them for supporting productive activities in rural areas;
- (iv) To create a supplementary channel for flow of credit from the central money market to the rural areas;
- (v) To generate employment opportunities in rural areas, and
- (vi) To bring down the cost of purveying credit in rural areas.

The deposit mobilised by RRBs stood at about Rs. 11,150 crores as on 31.3.1995 and the outstanding advances stood at Rs.6,290 crores in about 126 lakhs borrowal accounts as on 31.3.1995.

(b) The RRBs are in a class quite apart from the nationalised banks. The differences between RRBs and nationalised banks inter-alia include the following :

RRBs are governed by the RRBs Act, 1976 while the nationalised banks are governed by Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 :

- (i) The equity of the RRBs is statutorily required to be subscribed by Government of India, sponsor banks and State Governments in the ratio of 50:35:15; whereas in nationalised banks Government of India is required to subscribe to at least 51% of the equity.
- (ii) The area of operation of RRBs is to be notified by the Central Government while the nationalised banks may open branches anywhere subject to branch licensing policy of the Reserve Bank of India (RBI).
- (iii) There are several other differences in operational discipline (like maintenance of Cash Reserve Ratio/Statutory Liquidity Ratio), the clientele catered to and the type of business normally conducted.

(c) The demands raised by the some of Unions/Associations of employees of RRBs inter-alia includes:

- (i) Restructuring of RRBs by setting up National Rural Bank or Zonal Rural Banks; and
- (ii) Extension of Vth Bipartite Settlement.